- The all-in-cost ceiling for ECBs for average maturity period of three years and up to five years was enhanced to 300 basis points above LIBOR and to 500 basis points above LIBOR for ECBs over five years.
- The all-in-cost ceiling for trade credit less than 3 years was enhanced to 6 months LIBOR plus 200 basis points.
- Systemically Important Non-Deposit taking NBFCs have been temporarily permitted to raise short-term foreign currency borrowings under the approval route, subject to their complying with the prudential requirements of capital adequacy and exposure norms. Housing finance companies (HFCs) registered with the National Housing Bank (NHB) have also been permitted to raise short-term foreign currency borrowings under the approval route, subject to their complying with prudential norms laid down by the NHB.
- The Reserve Bank of India has also instituted a rupee-dollar swap facility for banks with overseas branches to give them comfort in managing their short-term funding requirements.
- RBI announced a scheme for buy-back of FCCBs issued by Indian corporates on November 15, 2008 and introduced further relaxations in this regard on December 6, 2008.

Loans for large, medium and small enterprises

1637. SHRI S.S. AHLUWALIA : Will the PRIME MINISTER be pleased to state:

(a) the volume of loan approved by public sector banks for funding of projects and to meet working capital need of the large, medium and small size enterprises year-wise since 2006-07 till June 30, 2008 indicating along side the fund actually released to borrowers;

(b) the parameters of these enterprises considered by banks for ascertaining their eligibility to borrow;

(c) whether it is a fact that these lending banks have withhold release of subsequent trench of loans to these enterprises under the pretext of reviewing their repayment potential details de novo; and

(d) if so, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Information is being collected and will be laid on the table of the House.

Funding of infrastructure projects

1638. SHRI T.T.V. DHINAKARAN: Will the PRIME MINISTER be pleased to state:

(a) whether funding of infrastructure projects has decreased in the recent past;

(b) if so, the reasons therefor; and

(c) the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) A large number of infrastructure projects are now being cleared for implementation in PPP mode. These projects may experience difficulties in reaching financial closure in view of the uncertain conditions prevailing in the global financial system.